

## DEPARTMENT OF HEALTH SERVICES

714/744 P STREET  
SACRAMENTO, CA 95814



October 28, 1985

TO: All County Welfare Directors  
County Administrative Officers

Letter No. 85-72

LYNCH V. RANK CLAIMS PROCESSING

Reference: All County Welfare Directors (ACWD) Letters 85-60 and 85-65

Share of Cost Listing

Counties were sent a computer generated Share of Cost Listing (ACWD Letter 85-60, page 2) identifying those beneficiaries who had met a share of cost (SOC) during the period April 1980 through April 1985. We have determined that the SOC amount given for some beneficiaries is inaccurate for the period March through December 1982. This inaccuracy is caused by the way SOC data were stored on the Department's Eligibility History File (EHF) for beneficiaries who lived in and met a SOC in those counties which implemented quarterly share of cost (QSOC) during the period March through December 1982.

During the period March through June 1982, approximately 35 counties (see Attachment 1) implemented QSOC and then phased it out from October through December, 1982. The Department does not have the specific dates individual counties implemented, and then phased out, QSOC.

When a beneficiary in a QSOC county met his/her SOC and was certified as a Medi-Cal eligible for each of the three months of the QSOC period, the QSOC amount was entered on the Department's EHF for each month of the quarter. Thus, the EHF, and the Share of Cost Listing which was produced from the EHF, show a beneficiary who actually met a \$50 QSOC as having met a \$50 monthly SOC in each of the three months of the quarter.

The following sections describe the steps the county should take in various case situations when a beneficiary has been determined to be a Pickle eligible during the period March through December 1982.

1. COUNTY DID NOT IMPLEMENT QSOC; BENEFICIARY LIVED IN SAME COUNTY DURING QSOC PERIOD.

Follow the instructions outlined in ACWD Letters 85-60 and 85-65.

2. COUNTY DID NOT IMPLEMENT QSOC; BENEFICIARY LIVED IN ANOTHER COUNTY DURING QSOC PERIOD.

Refer to Attachment 1 to determine if the beneficiary's former county of residence had implemented QSOC. If the county had not implemented QSOC, follow 1 above. Otherwise, contact the former county of residence to obtain the QSOC periods and amounts and follow 3 below.

Under no circumstances is the beneficiary to be required to verify the share of cost amount. The court order specifically prohibits this action.

3. COUNTY DID IMPLEMENT QSOC; BENEFICIARY LIVED IN COUNTY DURING QSOC PERIOD.

Review the case file to establish the QSOC amount actually met. This amount may be shown on the Itemized Statement in one of two ways: by establishing an equally prorated monthly SOC amount or by entering the QSOC amount and indicating the QSOC period.

To establish a monthly SOC amount, the QSOC amount should be divided by three and the quotient shown as the monthly SOC amount. For example, the Listing shows that a beneficiary met a share of cost of \$150 in each month for May, June and July, 1982. However, the case file shows that the QSOC period was May, June and July, and the beneficiary met the QSOC of \$150 in June. In order to show the monthly SOC figure, divide \$150 by three ( $\$150 \div 3 = \$50$ ) and enter the quotient (\$50) in each of the three months.

Alternately, the months in the QSOC period may be bracketed on the Itemized Statement pages of Notices of Action No. 4 and No. 6 and the QSOC amount entered in one of the three months.

4. COUNTY DID IMPLEMENT QSOC; BENEFICIARY DID NOT LIVE IN COUNTY DURING QSOC PERIOD.

See 2 above.

Response Form (DHS 7053) Review

The Department is receiving Response Forms on which neither of the two declaration statements is checked (ACWD 85-65 page 1, A.) An addendum to the original agreement stipulates that "The applicant shall be required to execute a declaration under penalty of perjury, . . . stating either that he/she paid the bills used to meet the share of cost, or, if not, the amount which he/she actually paid." (See Attachment 2). Therefore, the instructions contained in ACWD 85-65 are revised as follows:

A. Processing Claims Containing Only Response Form (DHS 7053)

Review the Response Form to ensure that the claimant checked one of the two declaration statements and signed the form. If the form is not signed and/or a statement is not checked, return the form to the claimant with a note explaining what is needed. Note in the case file the date the Response Form is initially received, the date returned to the claimant and why. Any Response Form initially received within the time limit must be considered timely, even if it is incomplete and must be returned to the claimant. If the claimant fails to return the completed Response Form within 30 days, the county shall contact the claimant to determine if the form was received, why it was not returned, and offer assistance to the claimant in completing the form. The county worker should emphasize that the claimant is entitled to be reimbursed for any share of cost he/she actually paid.

Any questions concerning Lynch v. Rank or the retroactive eligibility process should be directed to Kristi Banion at (916) 324-4961 (ATSS) 454-4961. Questions concerning this letter or processing Lynch v. Rank claims should be directed to Florence Beller at (916) 324-4963 (ATSS) 454-4963.

Sincerely,

Original signed by

Doris Z. Soderberg, Chief  
Medi-Cal Eligibility Branch

cc: Medi-Cal Liaisons  
Medi-Cal Program Consultants

Expiration Date: December 30, 1986

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Attorney for Defendants

ORIGINAL  
FILED

APR 24 1985

WILLIAM L. WHITTAKER  
CLERK, U.S. DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

RAYMON and JOANN LYNCH, et al.,	)	NO. C 83-2340 WHO
	)	
Plaintiffs,	)	ADDENDUM TO AGREEMENT
	)	REGARDING RETROACTIVE
v.	)	<u>BENEFITS</u>
	)	
PETER RANK, et al.,	)	
	)	
Defendants.	)	

IT IS HEREBY STIPULATED that the agreement submitted to this court on April 2, 1985, concerning payment of retro-active benefits, shall be amended as follows:

1. Paragraph 7(a) shall be amended to read:

DHS shall exclude expenditures incurred for services, treatments, drugs, and other medical expenses not covered under the Medi-Cal program at the time that the expenditure was incurred, except insofar as such expenditures were used to meet a share of cost. If an expenditure could have been covered pursuant to a TAR, it will be considered a covered expenditure. All expenditures shall be reimbursed in the amount in

1 which they were incurred, except as provided herein.

2 2. Paragraph 6(b) shall be amended to read:

3 For each month in which the applicant met a share  
4 of cost, the amount of the share of cost shall govern  
5 as the amount of incurred medical expenditures, without  
6 the necessity for additional verification. The applicant  
7 shall be required to execute a declaration under penalty  
8 of perjury, in a form to be approved by plaintiffs'  
9 counsel, stating either that he/she paid the bills used  
10 to meet the share of cost, or, if not, the amount which  
11 he/she actually paid. Reimbursement will be limited to  
12 that portion of the share of cost which the applicant  
13 declares, under penalty of perjury that he/she has  
14 actually paid.

15 3. Exhibits D and E will be amended as necessary  
16 to conform to paragraph 6(b) as amended herein.

17 IT IS FURTHER STIPULATED that an order of the court  
18 approving the agreement submitted on April 2, 1985, or ordering  
19 the state defendants to comply therewith, shall be considered  
20 to apply to the agreement as amended herein.

21 SO STIPULATED.

22 DATED:

April 24, 1985

Catherine M. Van Aken  
CATHERINE M. VAN AKEN  
Deputy Attorney General

25 DATED:

April 24, 1985

Evelyn R. Frank  
EVELYN R. FRANK  
Attorney for Plaintiffs

COUNTY	YES	NO				
TOTAL						
ALAMEDA		X				
ALPINE						
AMADOR	X					
ANNE	X					
LAVERAS	X					
CLUSA	X					
CONTRA COSTA		X				
EL NORTE	X					
DORADO	X					
ESNO		X				
ENN	X					
ABOLDT	X					
ERIAL	X					
O	X					
RN	X					
GS	X					
CE	X					
SEN	X					
ANGELES		X				
DERA	X					
RIN		X				
RIPOSA	X					
NDOCINO	X					
RCED						
DOC	X					
NO	X					
INTEREY	X					
	X					
ADA		X				
ANGE		X				
CER		X				
MAS	X					
ERSIDE	X					
RAMENTO		X				
BENITO	X					
BERNARDINO		X				
DIEGO		X				
FRANCISCO		X				
JOAQUIN	X					
LUIS OBISPO		X				
MATEO		X				
TA BARBARA	X					
TA CLARA		X				
TA CRUZ		X				
STA	X					
RA	X					
IYOU	X					
AND		X				
OMA		X				
VISLAUS	X					
TER	X					
MA	X					
ITY	X					
ARE		X				
LUMNE	X					
TURA	X					
O		X				
A	X					